

Message Text

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ACTION EB-06

INFO OCT-01 EUR-08 EA-06 IO-04 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-01 H-01 INR-05 INT-05

L-01 LAB-01 NSAE-00 NSC-05 PA-01 RSC-01 AID-05

CIEP-01 SS-15 STR-01 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 SWF-01 AF-04 ARA-06 NEA-06 OIC-02 /105 W

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P R 291220Z OCT 74

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 8916

AMEMBASSY TOKYO PRIORITY

INFO AMEMBASSY BONN

AMEMISSION EC BRUSSELS

AMEMBASSY LONDON

C O N F I D E N T I A L GENEVA 6587

E.O. 11652: N/A

TAGS: ETRD, GATT

SUBJ: TEXTILES SURVEILLANCE BODY - INTERPRETATION MFA ARTICLE

4

REF: A. GENEVA 6438

B. JURICH-PHELAN TELECON OCTOBER 25

TOKYO PASS MINISTER JURICH

1. AS INDICATED REF (B), US REP HAD WORKING LUNCH OCTOBER 28 WITH PHILLIP RIDLEY, DIR-CHEM. & TEXTILE DIV.-UK, DEPARTMENT OF INDUSTRY, WHO WAS ACCOMPANIED BY FRANCK LACEY, ECON COUNSELOR, UK MISSION HERE. RIDLEY SAID HE WAS IN SWITZERLAND ON PERSONAL BUSINESS (HE OWNS PROPERTY HERE), BUT HAD WANTED DISCUSS WITH US REP MFA ARTICLE 4 INTERPRETATION ISSUE NOW BEFORE TSB.

2. RIDLEY OUTLINED IN SOME DETAIL MOTIVATION OF FRG AND
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UK IN SEEKING TSB RULING ON INTERPREATION PARS 2, ARTICLE 4.

HIS EXPLANATION WAS, IN EVERY RESPECT, CONSISTENT WITH THAT GIVEN JURICH BY FRG AUTHORITIES OCTOBER 25. AS DID FRG REPS, RIDLEY ASSERTED THAT THERE HAD NEVER AT ANY TIME BEEN ANY INTENTION TO CAUSE DIFFICULTIES FOR THE US, ALTHOUGH HE NOW UNDERSTOOD SUCH MIGHT BE THE RESULT. ALSO, AS DID FRG OFFICIALS, RIDLEY SAID UK HAD NEVER BEEN AWARE OF ANY SORT OF "UNDERSTANDING" AMONG THE NEGOTIATIONS AS TO INTERPRETATION OF PARA 2, ARTICLE 4, SAYING THAT THEIR ONLY UNDERSTANDING WAS THAT COMMISSION NEGOTIATIONS HAD HELD TO POSITION THAT "US COULD INTERPRET LANGUAGE AS IT SAW FIT" BUT HAD NEVER AGREED OR UNDERSTOOD THAT EC OR ANY OTHER PARTICIPANT WAS OBLIGATED TO INTERPRET LANGUAGE AS "INTERPRETED BY US". THEREFORE, THERE SHOULD BE NO VALID OBJECTION TO A REQUEST FOR TSB INTERPRETATION. IN RIDLEY'S VIEW, THE CONJUNCTIVE "AND" IN THE PARA 2 SENTENCE BEGINNING "ON THE ONE HAND" WAS CLEAR ENGLISH THAT COUNT NOT BE READ AS "OR".

3. US REP NOTED THAT SUCH INTERPRETATION CLEARLY OBTAIATED ANY NEED AT ALL FOR AN ARTICLE 4 IN THE ARRANGEMENT SINCE IMPORTING COUNTRIES COULD AVAIL THEMSELVES OF THE PROVISIONS OF ARTICLE 3 WITHOUT THE ADDITIONAL LIBERALIZATION CALLED FOR IN ARTICLE 4. REIDLEY CONCEDED THAT THIS WAS VALID POINT BUT, AFTER OBSERVING THAT HE PERSONALLY HAD NEVER SEEN THE NEED FOR AN ARTICLE 4, SAID THAT THE US HAD, IN FACT, ACCEPTED ARRANGEMENT INCLUDING ARTICLE 4 AND PARAGRAPH 2 THEREOF, AND TO HIS KNOWLEDGE, HAD AT NO TIME MADE STATEMENT TO TC PLENARY AS TO US INTERPRETATION OF PARA 2 ARTICLE 4 LANGUAGE, MUCH LESS OBTAINED AGREEMENT TO THAT INTERPRETATION.

4. IN CONCLUSION RIDLEY SAID HE NOW RECOGNIZED THAT INTERPRETATION ISSUE COULD NOT BE SEPARATED FROM POLITICAL REALITIES (BOTH US AND INTRA-EC) AND, FURTHER, THAT REGARDLESS OF EXISTENCE OR NON-EXISTENCE OF "UNDERSTANDING", WAY WOULD HAVE TO BE FOUND AVOID US-EC CONFRONTATION IN TSB AND SOME MODUS-VIVENDI REACHED. AGREED WITH US REP THAT FIRST STEP SHOULD BE AVOIDANCE DISCUSSION ISSUE IN NEXT TSB MEETING (NOVEMBER 14) TO ALLOW TIME FOR FURTHER REFLECTION AND CONSULTATIONS. SAID HE WOULD SPEAK WITH TSB CHAIRMAN WURTH TO THIS END.

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5. US REP RECEIVED CALL FROM WURTH MORNING OCTOBER 29, REPORTING APPROACH FROM RIDLEY AFTERNOON OCTOBER 28 INDICATING THAT RIDLEY HAD URGED WAY BE FOUND AVOID DISCUSSION ISSUE NOVEMBER 14. WURTH SAID HE FULLY IN SYMPATHY THIS COURSE AND AGREED, AT RIDLEY'S SUGGESTION, SO INFORM MEYNELL. WURTH TOLD US REP HE CALLED MEYNELL MORNING OCTOBER 29, AND LEARNED THAT MEYNELL HAD AT THAT POINT NOT RECEIVED ANY INDICATION CHANGE INSTRUCTIONS RESULT US INTERVENTION BONN. WURTH SAID

HE WOULD CONTACT RIDLEY LATER TODAY AND ASK RIDLEY MAKE UK VIEWS KNOWN TO EC COMMISSION SOONEST. MEYNELL HAD SUGGESTED TO WURTH THAT USEC MISSION CONTACT MEYNELL "IN ORDER SUPPLY HIM WITH SOME ARGUMENTATION WHICH MIGHT BE USEFUL IN BRINGING ABOUT CHANGE HIS INSTRUCTIONS PURSUE ISSUE AT NOVEMBER 14 SESSION." IN RESPONSE THIS, US REP TOLD WURTH THAT IN HIS VIEW, SINCE ISSUE HAD BEEN PRECIPITATED BY FRG AND UK AND BOTH NOW WISHED DEFER DISCUSSION, IT WOULD APPEAR IT UP THOSE GOVERNMENTS TO SUPPLY MEYNELL WITH ARGUMENTATION IN FIRST PLACE. IN SECOND PLACE, US REP DOUBTED WHETHER USEC COULD SUPPLY ANY ARGUMENTATION NOT ALREADY MADE IN EXTENSO BY US REP DIRECTLY TO MEYNELL AND RIDLEY AND BY JURICH TO BONN AUTHORITIES. US REP ADDED, HOWEVER, THAT US, OF COURSE, WOULD BE PREPARED DISCUSS MATTER FURTHER WITH MEYNELL SHOULD SUCH DISCUSSION APPEAR USEFUL.

6. US REP BELIEVES RIDLEY SINCERE IN HIS DESIRE AVOID CONFRONTATION. RIDLEY FELT THAT MATTER HAD BEEN CLUMSILY HANDLED BY EC, ESPECIALLY IN VIEW OF FACT THAT EC HAD BEEN AWARE OF US INTENTIONS CONCLUDE STRUCTURE OF COMPREHENSIVE BILATERAL AGREEMENTS SINCE US-HONG KONG AGREEMENT WAS AVAILABLE THEM IN JUNE. WHEN ASKED BY US REP WHY EC OR MEMBER STATES HAD NOT RAISED QUESTION BILATERALLY WITH US BEFORE FORMAL ACTION IN TSB, RIDLEY SAID THIS WAS CLEARLY AS MISTAKE, WITH MALICE AFORETHOUGHT AND ONE AMONG MANY RESULTING FROM NATURE OF COMMISSION'S OPERATIONS AND RELATIONS WITH MEMBER STATES.ABRAMS

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